

Realizing strategy in turbulent environments

Building a project oriented organization

SPIDER, 21 March 06

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Agenda

- Project Management Essentials
- Programme Management
- Strategic Portfolio Management
- Strategy Implementation

Project Management Essentials

Source : Project Management Institute

<http://www.pmi.org>

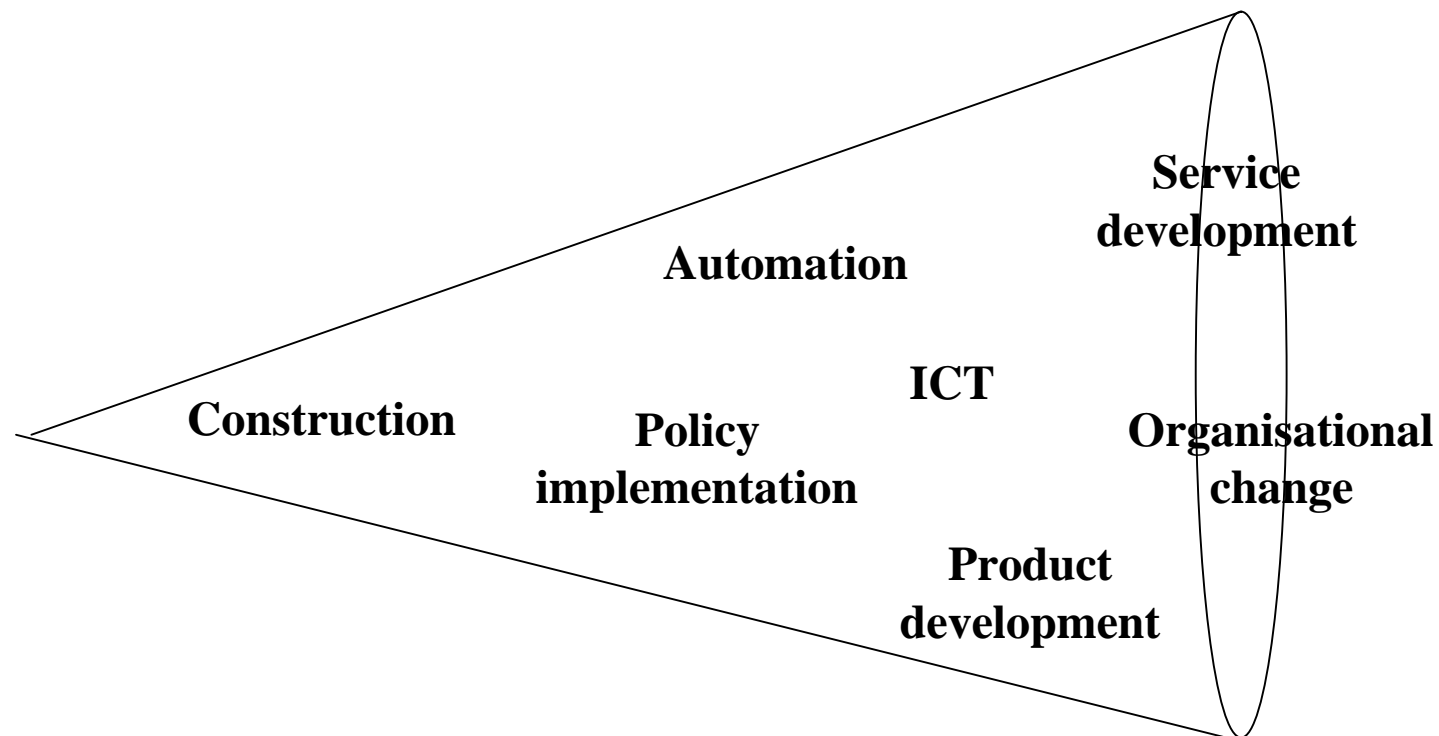
<http://www.ogc.gov.uk>

Project definition

- A temporary endeavor undertaken to create a unique product or service
 - A project has a unique purpose
 - A project is temporary
 - A project requires resources, often from various areas
 - A project should have a primary customer or sponsor
 - A project involves uncertainty

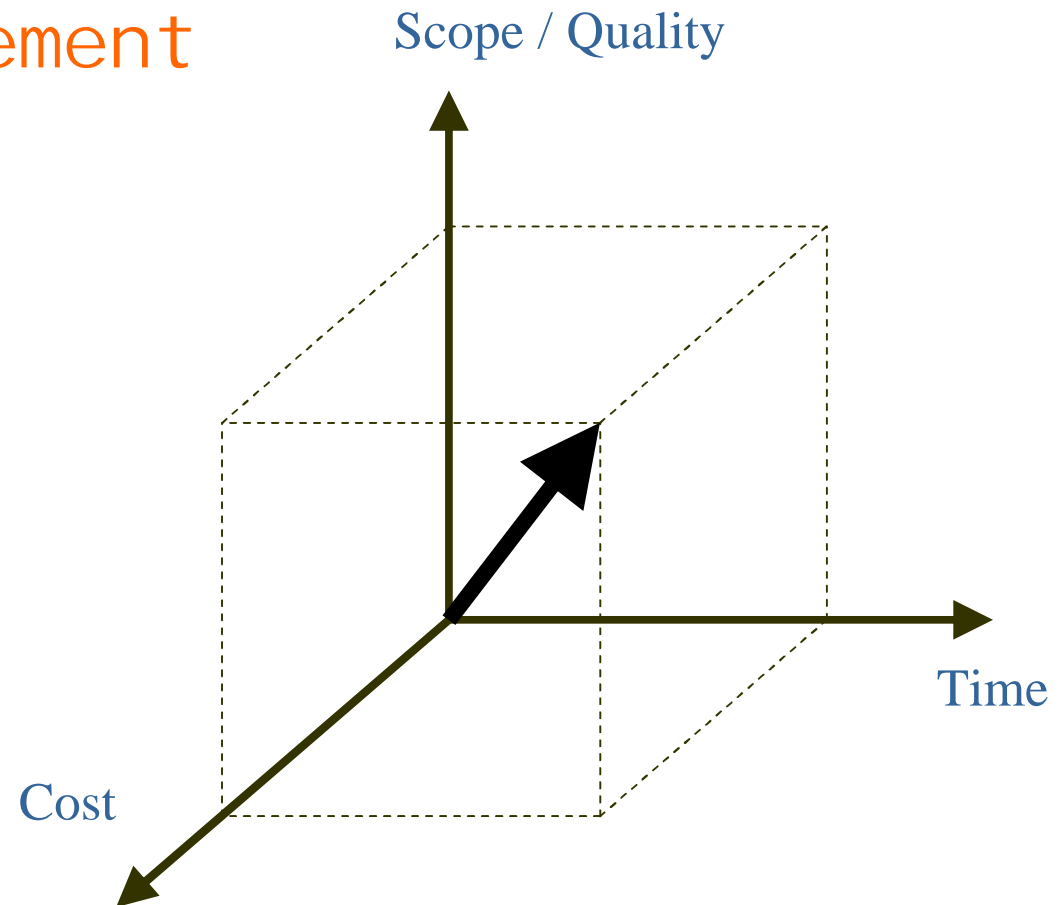
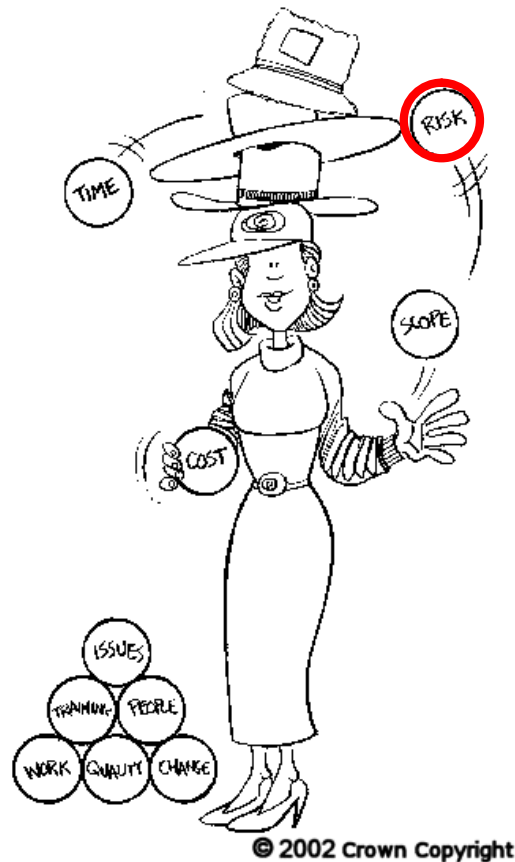
Source : *Projectmatig werken*, Gert Wijnen

Project Application Fields



*More and more companies consider
project orientedness as an essential competence*

Project Management



www.pmi.org
www.ogc.gov.uk/prince2/ www.ogc.gov.uk

Project Management Methodologies

Organisation	Standard	Website
PMI	PM-BOK	www.pmi.org
OGC	Prince II	www.ogc.gov.uk
Consultants	Proprietary	
Companies	Taylor made	

Processes	Techniques	Tools
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Adhoc	Repeatable	Defined	Managed	Optimized
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Project Organization

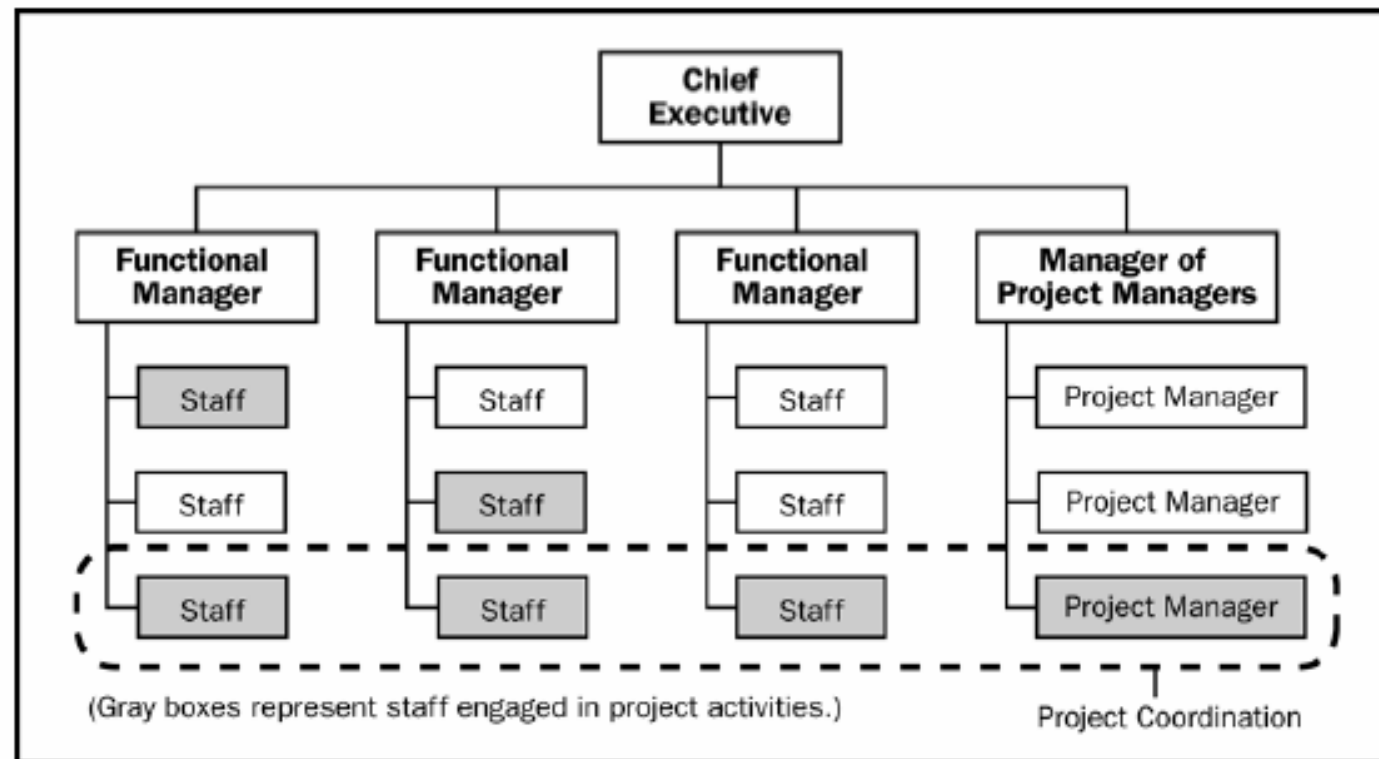
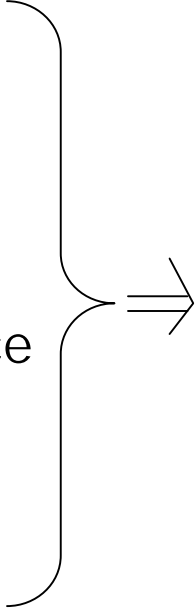


Figure 2-11. Strong Matrix Organization

The issue of the 'manager of project managers'

- Limits of project management
 - Strategic alignment
 - Resource allocation
- Environmental changes
 - External & internal turbulence
 - Scale enlargement
 - Networked economies
 - Specialisation



Although each project is under control, the total of all projects is not under control ...

Two additional management approaches

- Programme Management
 - The coordinated delivery of multiple interrelated projects that together aim to realize a strategic objective
- Strategic Portfolio Management
 - To ensure a strong link between all programmes and projects being executed in an organization and the organization's strategy

Programme Management

Source : Vlerick Programme Management Research Center

www.vlerick.be/vpmrc

Mergers & Acquisitions

- merger of two banks
- integration of local bank in larger bank-insurance group
- merger of R&D departments in pharma group

Cost Reduction Programmes

- FTE cutting in courier company

Technology related Programmes

- order management and CRM implementation in telco company
- roll out of IT infrastructure in 800 agencies of a courier company
- integration of back-office IT systems for two merged insurance companies

Business model related Programmes

- setting up a new brand and launching new products in a telco company
- starting up a new mobile telco company

Reorganisations & process related Programmes

- responsibilisation programme in government organisation
- BPR initiative in courier company
- process reengineering initiative in IT department of high tech company
- managing the product development processes in a high tech company

Research Related Programmes

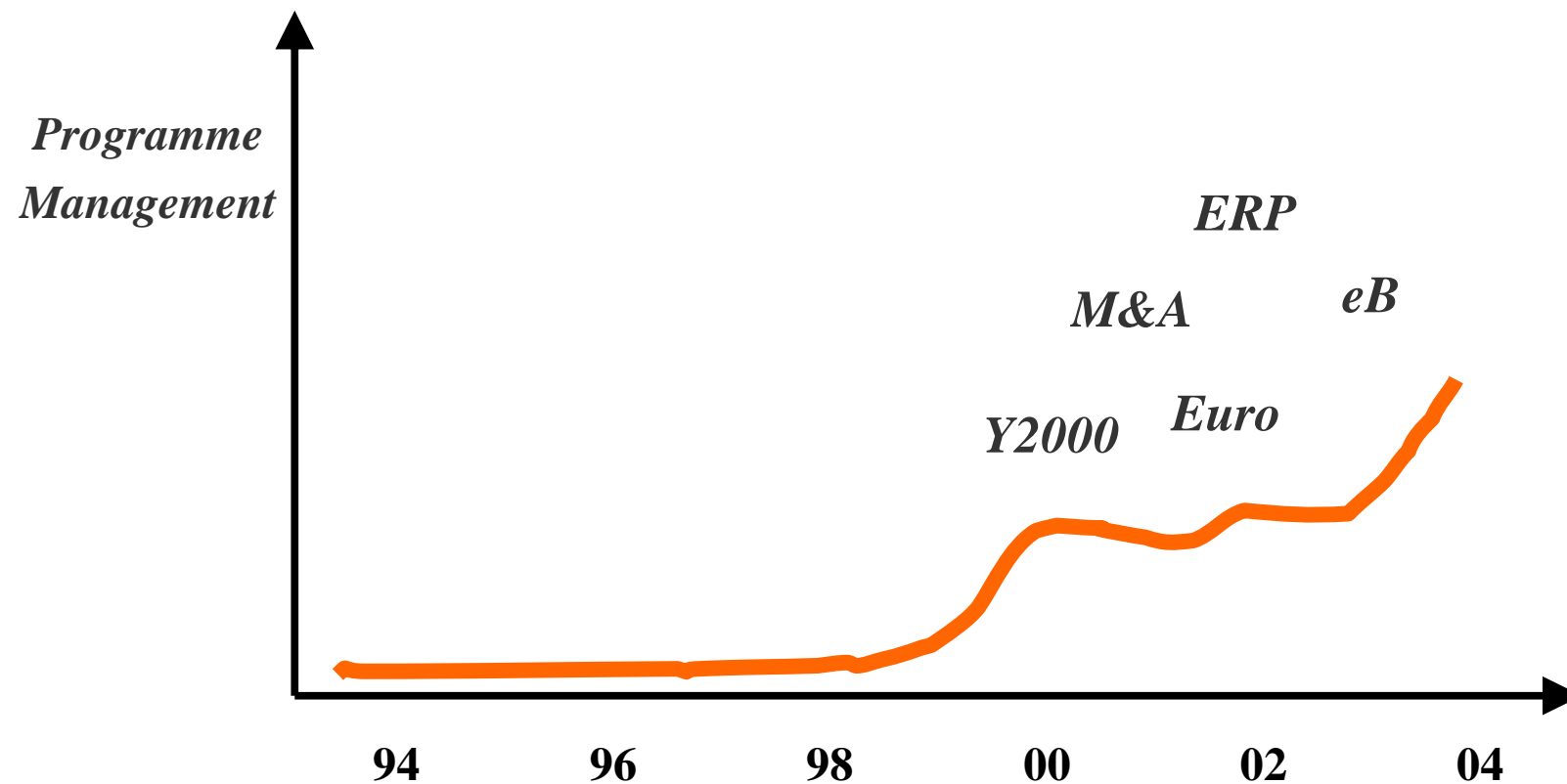
- Research Optimization in pharma group
- government control on research funding

Professional Service Oriented Programmes

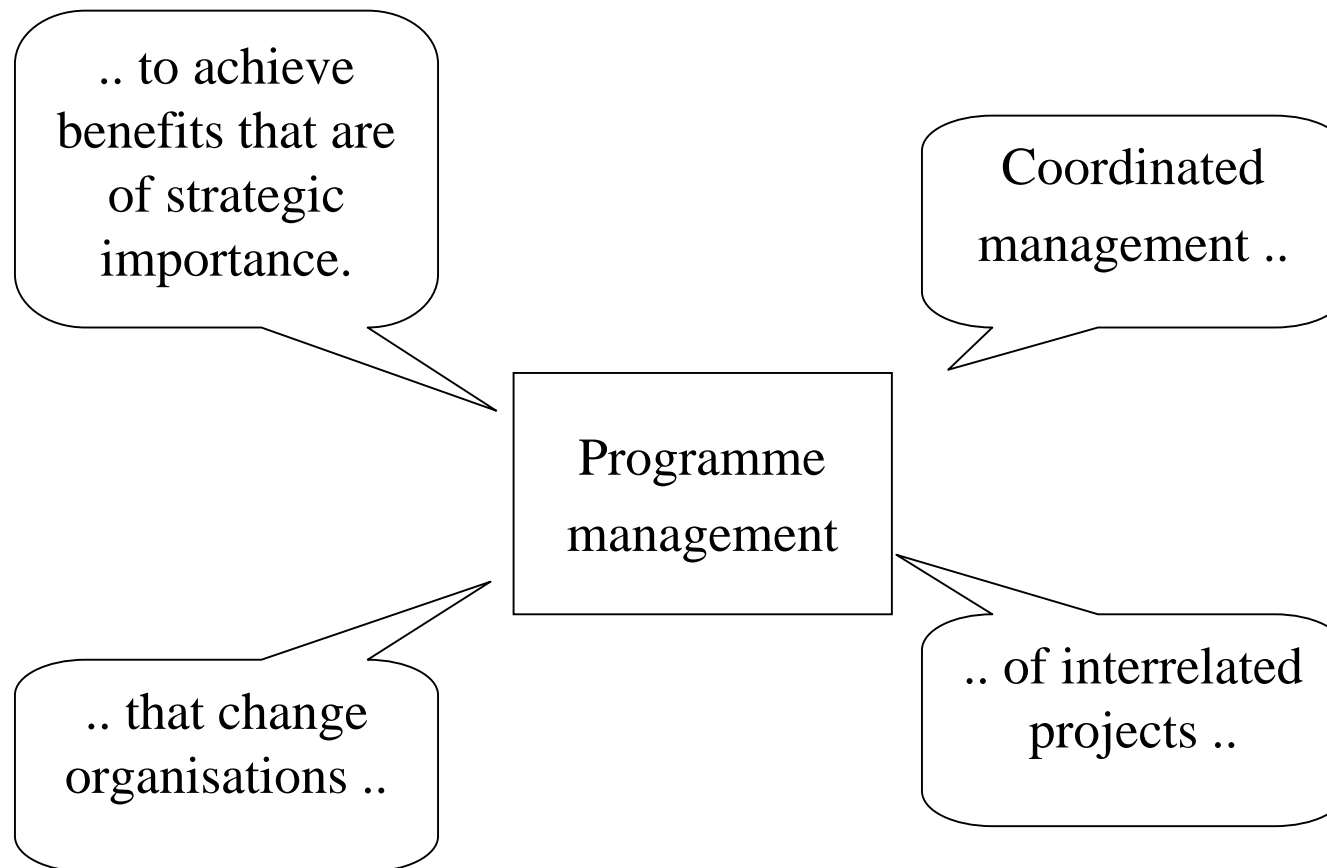
- Consultancy Operations

Today
Programmes

Hi story



Programme Management Definition

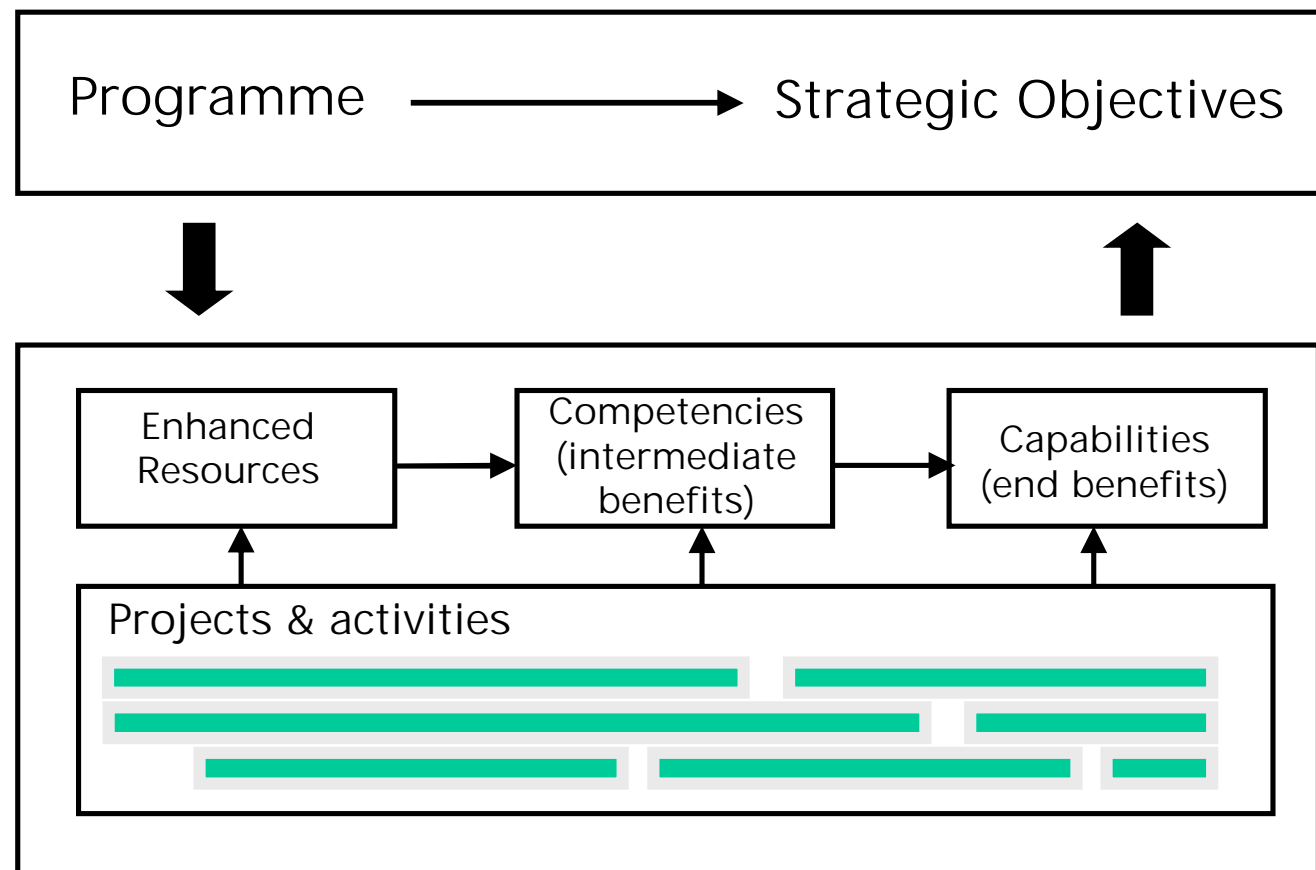


Source : Vlerick Programme Management Research Center
www.vlerick.be/vpmrc

Programme versus Project

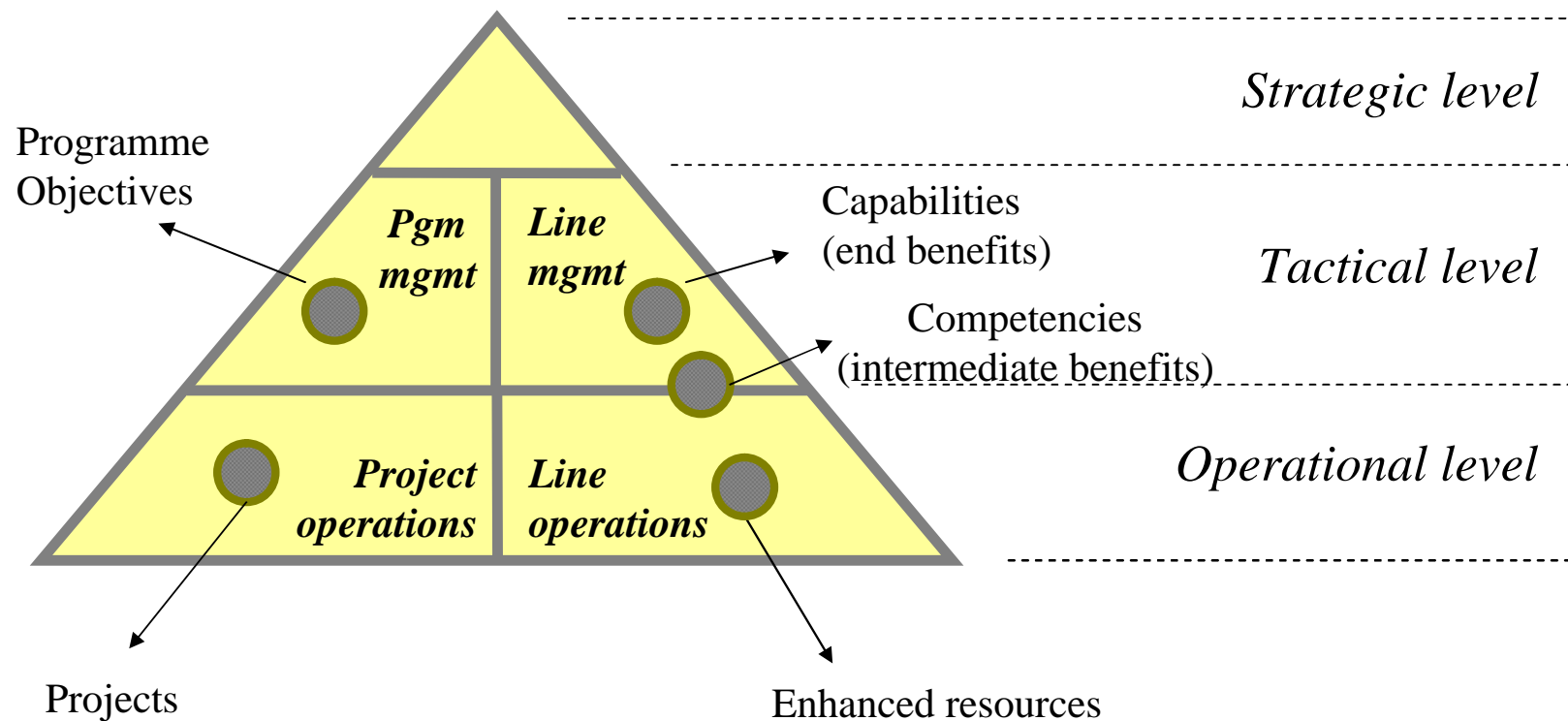
	Programme	Project
Objective	defined in strategic terms	defined in operational terms
Route	not completely predefined	predefined with fixed start and finish
Environment	Open	Closed

Programmes Deliver Business Capabilities



Source : Vlerick Programme Management Research Center
www.vlerick.be/vpmrc

Programmes deliver business capabilities



Example

- Capabilities (end benefits)
 - Customer Intimacy / Customer Orientation
- Competencies (intermediate benefits)
 - Enhanced one-to-one marketing process
- Enhanced resources
 - Integrated customer database
 - New campaign management tool
 - Trained staff (on use of new systems)

www.pmi.org

http://www.ogc.gov.uk/sdtoolkit/deliveryteam/briefings/businesschange/prog_mgmt.html www.ogc.gov.uk

Programme Management Approaches

Organisation	Standard	Website
PMI	PGM	www.pmi.org
OGC	MSP	www.ogc.gov.uk
Consultants	Proprietary	
Companies	Only starting	

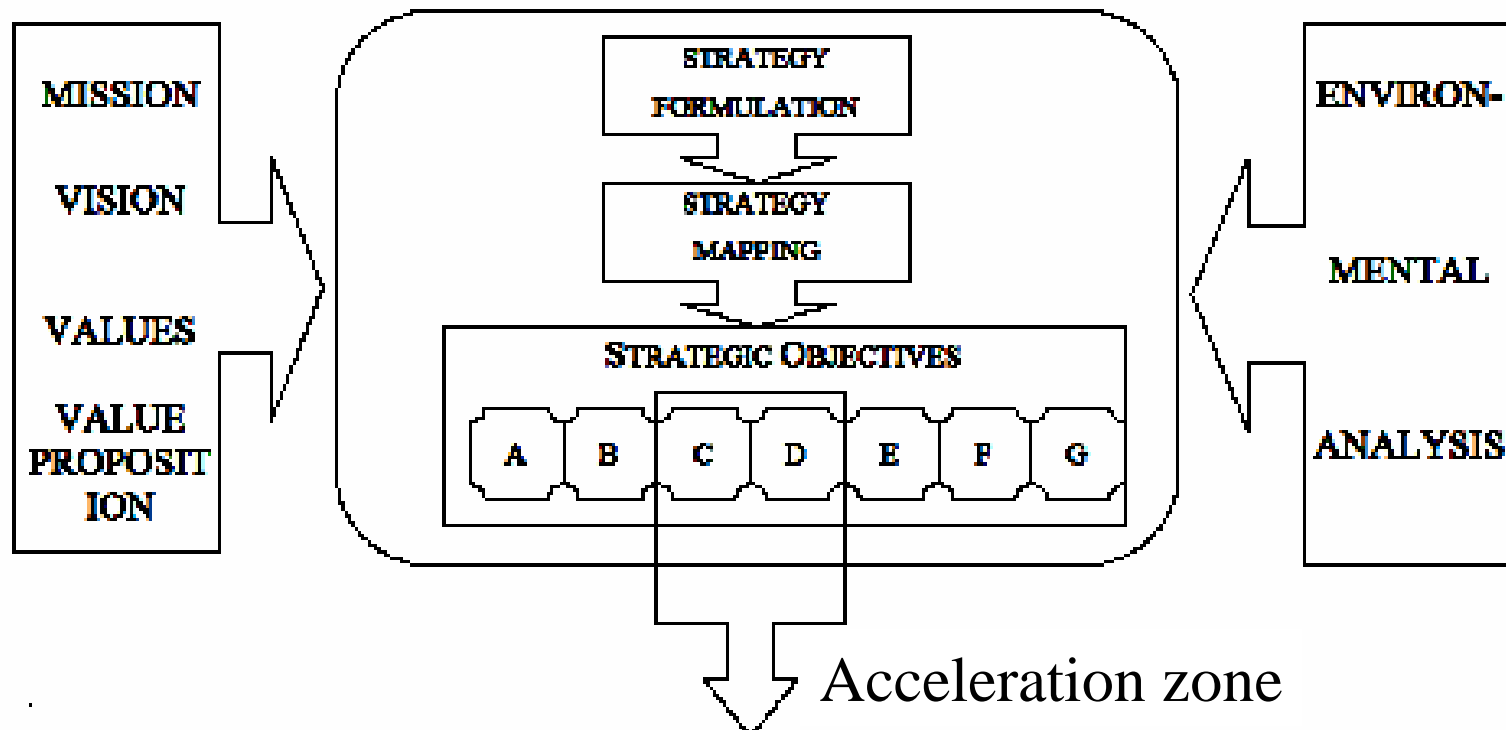
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Strategic Portfolio Management

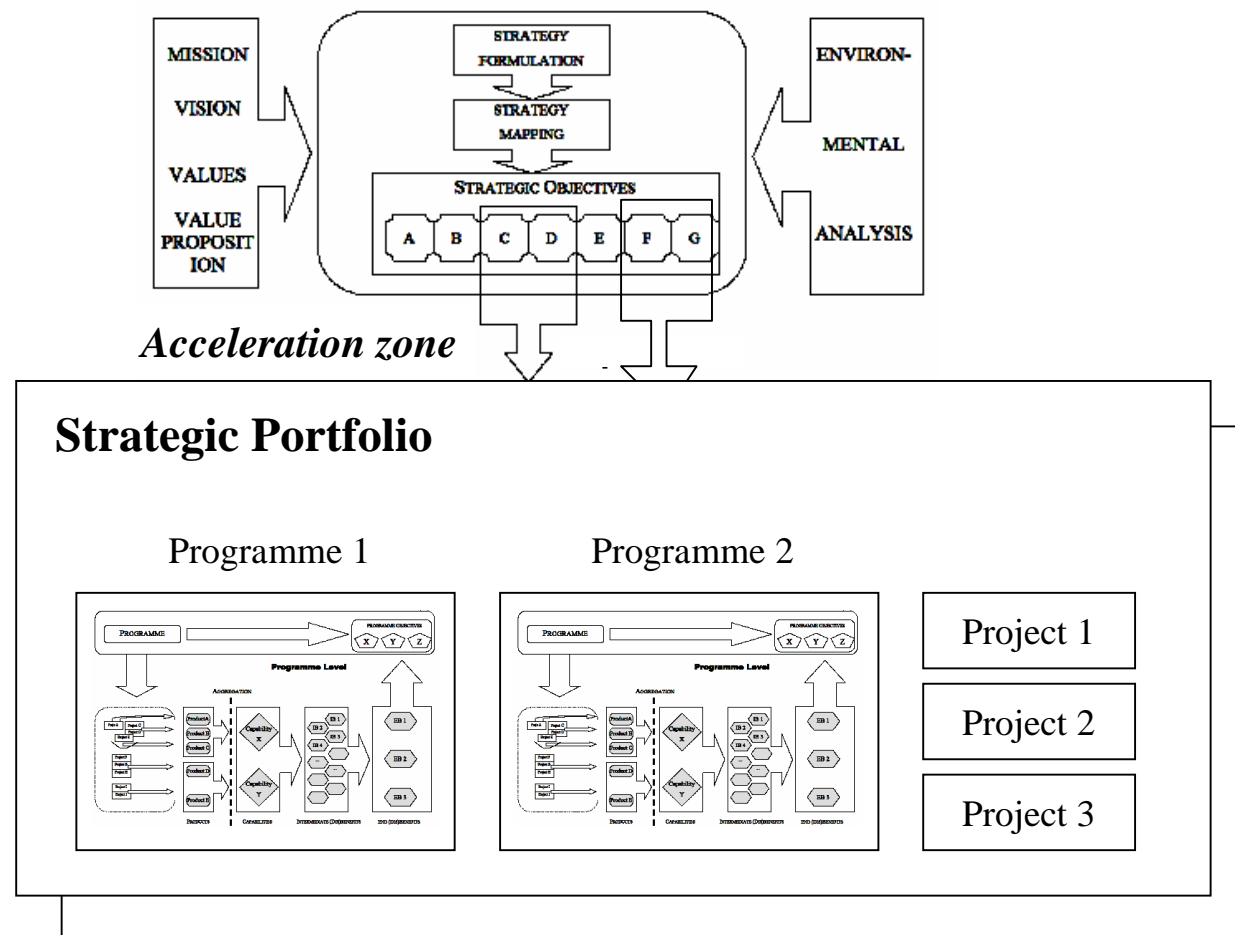
Source : Vlerick Programme Management Research Center
www.vlerick.be/vpmrc

The organization's strategy

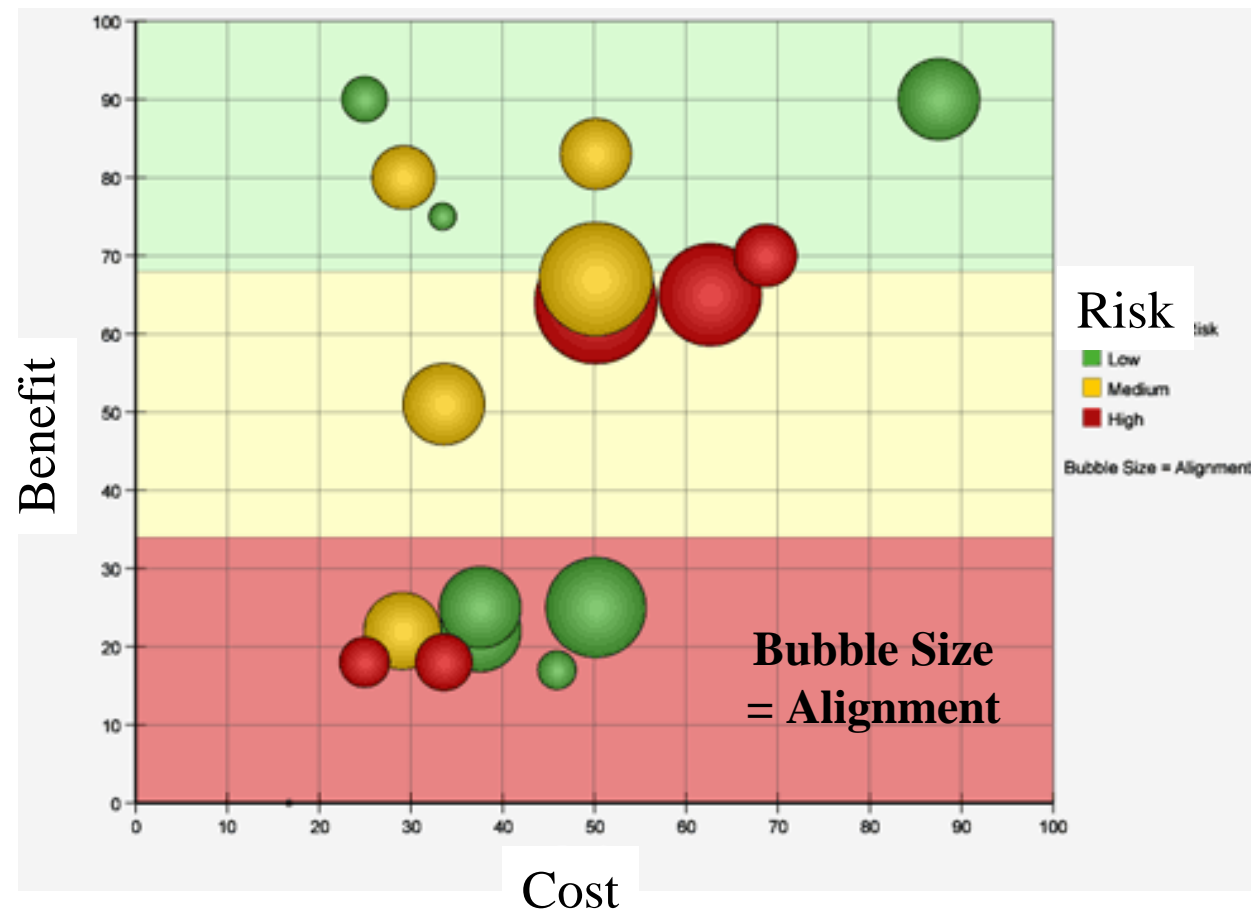


Source : Vlerick Programme Management Research Center
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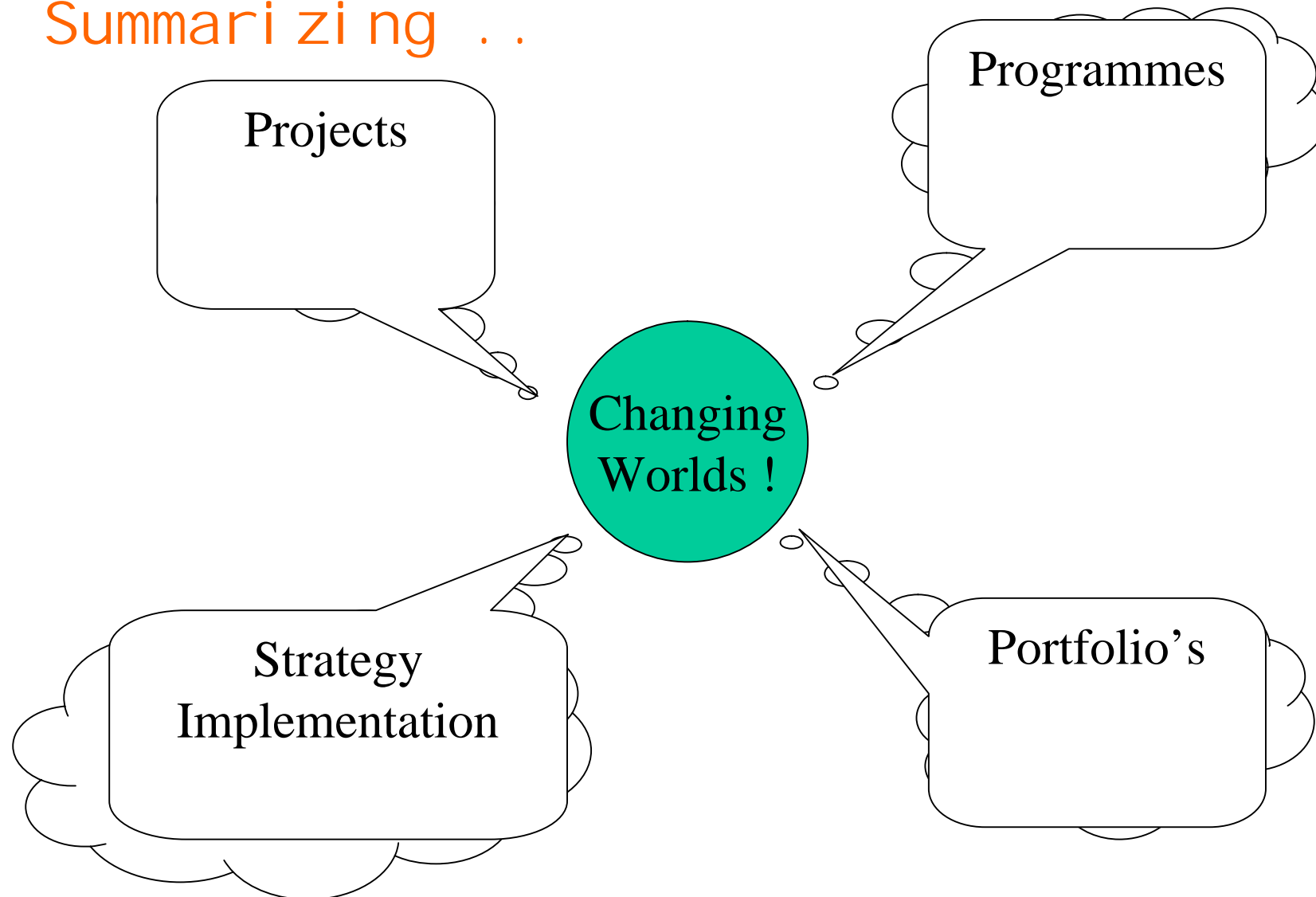
Linking Programmes/Projects to Strategy



Portfolio Management



Summarizing ...



Questions

